

Message Text

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72

ACTION EB-11

INFO OCT-01 EUR-25 ADP-00 CAB-09 CIAE-00 COME-00 DODE-00

INR-10 NSAE-00 RSC-01 FAA-00 L-03 IO-13 SS-15 NSC-10

OMB-01 TRSE-00 PA-03 USIA-12 PRS-01 RSR-01 (ADP) W

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R 301545 Z MAY 73

FM AMEMBASSY BRUSSELS

TO SECSTATE WASHDC 7666

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E. O. 11652 NA

TAGS: ETRN, BE

SUBJECT: CIVAIR - RESTRICTIVE FOREIGN AIRLINE PRACTICES

REF: STATE A-4134

1. BELGIUM'S NATIONAL AIRLINE BENEFITS PRIMARILY FROM FAVORED TREATMENT STEMMING FROM ITS POSITION AS STATE OWNED INSTITUTION. IN ADDITION SABENA HAS LONG ESTABLISHED REPUTATION FOR DISCOUNTING AND FOR PROMOTION OF SPECIAL RATES (E. G. STUDENTS, YOUTH, ETC.).

2. PRELIMINARY LISTING THESE PRACTICES CONTAINED BELOW AND KEYED TO NUMBERED PARAGRAPHS IN REF AIRGRAM:

(1) NOT APPLICABLE.

(2) NOT APPLICABLE.

(3) BY GOVERNMENT DECREE DATED NOVEMBER 1, 1972 PASSENGER EXIT, TRAVEL, AIRPORT FEES AND TAXES COLLECTED AS PART OF TICKET COST AND PAID DIRECTLY TO GOVERNMENT BY AIRLINES. SABENA NOT EXEMPTED BUT U. S. AIRLINE REP QUESTIONS WHETHER THEY ACTUALLY PAY.

(4) NO EVIDENCE AS TO THIS.

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(5) GOB INSISTS UPON USUAL REQUIREMENTS FOR GOB EMPLOYEES TO TRAVEL ON SABENA AS MUCH AS POSSIBLE. IN ADDITION AUTHORITY EXISTS FOR ISSUANCE SPECIAL PRICE SCHOOL VACATION TICKETS TO FOREIGN STUDENTS IN BELGIAN SCHOOLS. THIS PROGRAM HAS DEGENERATED TO COVER ALMOST ANY STUDENT TRAVEL TO/ FROM BELGIUM. GOB ALSO FREQUENTLY ISSUES " GOVERNMENT REQUEST" TO SABENA TO COVER DISCOUNT TRAVEL; E. G. ACCREDITED JOURNALISTS NOW RECEIVE 50 PERCENT ON SABENA' S ENTIRE NETWORK. GOVERNMENT REQUESTS HAVE BEEN ISSUED TO CIRCUMVENT IATA AFFINITY RULES FOR BELGIAN NATIONALS TRAVELING ON SABENA (AND AT LEAST ONCE DID SO EX POST FACTO TO PREVENT IATA LEVYING FINE).

(6) NO INFORMATION AVAILABLE.

(7) LOCAL PAA REP BELIEVES SABENA OBTAINS SPECIAL RATES AND/ OR FREE SPACE AT BRUSSELS INTERNATIONAL AIRPORT BUT HAS NO PROOF.

(8) BY GOVERNMENT DECREE NOVEMBER 1, 1972 SABENA HAS FIRST REFUSAL ON ALL HANDLING CONTRACTS EXCEPT FOR THOSE CONDUCTED BY AN AIRLINE ON ITS OWN BEHALF.

3. IN ADDITION TO SPECIFIC PRACTICES, SABENA BENEFITS FROM STATUS AS NATIONAL AIRLINE AND CONSEQUENT PARTICIPATION IN ADVERTISING CONDUCTED BY GOVERNMENT TOURIST OFFICE, LOCAL TOURIST COMPANIES, AND SPECIAL ASSISTANCE FROM OTHER GOB AGENCIES IN " EMERGENCIES", E. G. IN LAST YEAR' S PETROLEUM INDUSTRY STRIKE, BELGIAN ARMY TRUCKED FUEL TO SABENA.

4. ASIDE FROM SABENA' S DISCOUNTING AND TICKETING PRACTICES MOST SIGNIFICANT AREA IS GOB FINANCIAL PARTICIPATION IN STATE OWNED AIRLINE. MOST SIGNIFICANT ASPECT OF GOVERNMENT RELATIONSHIP IS STATE FINANCING OF ANNUAL DEFICITS AND OCCASIONAL INTEREST FREE LOANS

SABENA- GOB PRESENT RELATIONSHIP UNDER CRITICISM AND VARIOUS PROPOSALS FOR REFORM HAVE BEEN FLOATED (E. G. GOVERNMENT PURCHASE SABENA' S PRESENT FLEET PLUS ALL NEW ACQUISITIONS AND GRANT CARRIER USE AT NO COST).

5. WE WILL SUBMIT MORE DETAILED INFORMATION BY AIRGRAM.
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STRAUSZ- HUPE

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